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BUDGET VIEWS AND ESTIMATES FOR FISCAL YEAR 1987

A REPORT

SUBMITTED TO THE

BUDGET COMMITTEE

(Pursuant to Section 301(c) of Public Law 93-344)

PREPARED BY THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

MARCH 1986

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LETTER OF TRANSMITTAL

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
February 28, 1986.

Hon. PETE V. DOMENICI, *Chairman,*
Hon. LAWTON CHILES, *Ranking Minority Member,*
Committee on the Budget,
Washington, DC.

DEAR SENATOR DOMENICI AND SENATOR CHILES: In accordance with the provisions of Section 301(c) of Public Law 93-344, we are enclosing the Report of the Select Committee on Indian Affairs on Administration budget requests for Indian programs for fiscal year 1987.

The recommendations of the Select Committee on Indian Affairs relate to programs administered by the Bureau of Indian Affairs in the Department of the Interior; the Indian Health Service, and the Administration for Native Americans in the Department of Health and Human Services; and, Indian education programs under Title IV of the Indian Education Act administered by the Department of Education. The Committee also has oversight jurisdiction over Indian housing programs administered by the Department of Housing and Urban Development. Although budgetary recommendations for this program will be made by the Committee on Banking, Housing and Urban Affairs, the Select Committee wishes to be on record as opposing rescission of units appropriated for Indian housing in fiscal year 1986, and in favor of authorizing at least 2,000 units for fiscal year 1987.

Programs administered by the Bureau of Indian Affairs amount to slightly less than $1 billion and account for approximately one-half of our budgetary recommendations. The Administration requests $921.2 million for BIA program operations and construction for fiscal year 1987, a decrease of $68.6 million from the amount appropriated for fiscal year 1986 for those programs or about 8%. The Committee recommends $999,252,000 an increase of less than $10.0 million or 1% over the fiscal year 1986 appropriated base.

Major decreases in funding for the BIA are premised on: (1) transfer of the Johnson-O'Malley education program from the Department of the Interior to the Department of Education ($23 million); (2) elimination of Higher Education grants ($1.9 million) on the grounds that programs totalling $11.5 million administered by the Department of Education will be transferred to the Bureau of Indian Affairs; (3) elimination or reduction of programs for Alaskan Natives ($12 million); and (4) zero funding for planning and design or construction of new schools, reduction in funding for irri-

gation systems and reduction in funding for basic housing. The Committee does not agree with these proposals.

A major concern of the Committee is that the fiscal year 1987 BIA budget justification contains a new budget activity entitled "Tribe/Agency Operations", presenting a new system for displaying nearly one-third of BIA's budget without an adequate crosswalk to compare fiscal year 1986 funding levels. The new display also makes it difficult to determine the extent to which funds are allocated to administration or to program operation. The allocation of these funds should be examined closely during the appropriation process.

In its recommendations for the fiscal year 1987 Indian Health Service budget, the Committee starts from the premise that Public Law 99–177, the Balanced Budget Emergency Deficit Control Act of 1985, represents the consensus of the Congress and the President that in reaching deficit reduction targets, the Indian Health Service (IHS) budget would be cut by no more than 1 percent in fiscal year 1986 and by no more than 2 percent in fiscal year 1987. The President's budget request for the Indian Health Service for fiscal year 1987, seeks a rescission of $62,904,000 (7 percent) in fiscal year 1986, above the fiscal year 1986 sequestration of $10,429,000. The budget request for fiscal year 1987 represents a 15% reduction ($131,585,000) in budget authority, from the fiscal year 1986 amount after sequestration. The Administration's proposals to reduce IHS funding for fiscal years 1986 and 1987 are unacceptable to the Committee. Operating on the assumption of another 2 percent Gramm-Rudman sequestration in 1987, the President's proposed reduction would mean an 18% cut from the fiscal year 1986 appropriated level.

The native population of this country continues to suffer the lowest health status of all Americans. For fiscal year 1987, the Committee is recommending a level of funding for the Indian Health services account ($841 million) that exceeds the CBO baseline by $4 million, but which will allow the IHS to maintain the fiscal year 1986 level of program effort. The recommended 4 percent increase to the Indian Health services account will not, however, enable the IHS to keep pace with the costs of inflation (6.4%) in medical care costs in fiscal year 1987. For the Indian Health facilities account, the Committee recommends a funding level of $56,324,000 in an effort to protect the federal investment in IHS facilities that are currently in the final stages of construction, and to assure the provision of safe drinking water and sanitation facilities to existing Indian homes and communities. Despite the well-documented need, the President's budget request proposes no funding for water and sanitation facilities, and would not provide funding for the completion of final construction on two IHS hospitals and one IHS clinic. The Committee is concerned that the delays in completing construction will not only incur greater costs to the Federal government, but that the costs associated with such completions will also greatly exeed original cost projects.

For the second year in a row, the President's budget has proposed to decrease funding for the Administration for Native Americans by eliminating funds for training and technical assistance ($1 million) and for research, demonstration and evaluation ($1 mil-

lion). The Committee disagrees with these proposals and recommends that ANA be funded in the amount of $29 million for fiscal year 1987, the same level as funded in fiscal year 1986.

Finally, the Administration's request for the Title IV, Indian Education Act programs at the Department of Education assumes a transfer of the Indian Johnson-O'Malley program from BIA ($23,044,000) and a transfer to BIA of the special projects and fellowships and grants to Indian-controlled schools ($11,500,000) from the Department. Legislation to accomplish these transfers is being drafted by the Administration. However, the Committee is concerned with the rationale for the proposal as explained in the budget justification and rejects any transfer of program dollars at this time. The Committee recommends $67,236,000 for the Title IV programs, the fiscal year 1986 level plus the requested increase for adult education and program administration.

Sincerely,

MARK ANDREWS,
Chairman.
JOHN MELCHER,
Ranking Minority Member.

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INTRODUCTION

The Select Committee on Indian Affairs is the authorizing Committee for program operations of the Bureau of Indian Affairs (BIA) in the Department of the Interior, Indian Health Service (IHS) and Administration for Native Americans (ANA), in the Department of Health and Human Services (HHS), and the Office of Indian Education (OIE) in the Department of Education. In addition, the Committee has oversight responsibility for operation of programs in other agencies affecting Indians, including the Indian program of HUD.

Specifically, Senate Resolution 4, the Committee System Reorganization Amendments, charges the Select Committee as follows:

It shall be the duty of the Select Committee to conduct a study of any and all matters pertaining to problems and opportunities of Indians, including but not limited to, Indian land management and trust responsibilities, Indian education, health, special services, and loan programs, and Indian claims against the United States.

The Select Committee shall from time to time report to the Senate, by bill or otherwise, its recommendations with respect to matters referred to the Select Committee or otherwise within its jurisdiction.

In furtherance of this responsibility, the Select Committee, on February 18, 1986, held oversight hearings on FY '86 budget submissions of the BIA, IHS, HUD, and the Office of Indian Education.

The programs administered by the BIA, IHS, HUD, and the Office of Indian Education, as well as those of other Federal agencies with Indian programs are of an extremely broad scope, literally spanning the breadth of Federal, State, and local governments, but with the addition of protection and management of trust resources of Indian people and Indian tribes to which the United States has a trust responsibility. The Federal budget, as it relates to Indian programs, must be considered in the context of the unique relationship that the United States maintains with the Indian tribes and the Alaska Native communities.

Federal policy has long recognized that Indian tribes within the boundaries of the United States are "domestic, dependent nations." As such, the Supreme Court has held that the tribes have surrendered only those powers of sovereignty which are inconsistent with their dependent status. All other governmental powers still remain. As a result, Indian tribes are not political subdivisions of the States nor are they local governments within the meaning of most State and Federal status. Rather, the tribes and the United States exercise a direct government-to-government relationship with one another.

In 1934, in furtherance of this policy, Congress enacted the Indian Reorganization Act (Act of June 18, 1934; 25 U.S.C. 461 *et seq.*) setting forth a new policy toward the Indian tribes and provid-

ing, among other things, for the political reorganization of the tribes in accordance with the terms of that Act if the tribes so chose. In 1936, the provisions of this Act were extended to the Territory of Alaska (Act of May 1, 1936, 25 U.S.C. 473a) and a separate Act with similar provisions pertaining to tribes in Oklahoma was enacted (Act of June 26, 1936; 25 U.S.C. 501 *et seq.*).

In contrast with this Federal relationship, the historical relationship of Indian tribes and the States has been one of separation. Tribes are not political subdivisions of states and thus often do not receive funding assistance from state governments. In addition, in the absence of specific legislative directive, Federal pass-through monies allocated to states all too frequently are not passed through to the tribe. In examining Federal budget allocations or reductions in Indian programs, it is thus necessary to consider that (1) tribes do not generally receive supplemental funding from state governments on the same basis as county and municipal governments; (2) that tribes for the most part do not have other sources for raising revenues that state or local governments enjoy; and, (3) that there is a direct government-to-government relationship between the United States and the Indian tribes. Thus, when Federal monies for Indian programs are reduced or eliminated there is no replacement source to which the tribes can look.

A counterpart to the government-to-government relationship of the United States with the Indian tribes is the trust relationship and the obligations this imposes on the United States not only with respect to protection of trust resources but in assuring delivery of services to the Indian people at least commensurate with that delivered to our non-Indian citizens. At the reservation level, this obligation is obvious. While it is less obvious, it is just as real for off-reservation programs. During the decade of the 70's, Congress, in a number of Acts, specifically recognized the needs of Indians living in urban and rural off-reservation areas. Thus, an Indian component was included in the Comprehensive Employment and Training Act (CETA) enacted in 1973; and is now carried forward as the Job Partnership Training Act; education benefits were extended to off-reservation Indians through the Indian Education Act of 1972; health programs consisting principally of outreach and referral but also of some direct care were extended to off-reservation Indians through enactment of the Indian Health Care Improvement Act of 1976; and authorization of funding for Indian child welfare programs was provided with enactment of the Indian Child Welfare Act of 1978. The Administration for Native American Programs at HHS continues service to Alaskan Natives, Hawaiians, and American Indians on and off reservation which commenced in the 1960's. Each of these programs was enacted after extensive hearings and on the basis of ascertained need of the service population which was not being met by state or local governments.

This budget report is provided in two parts: Part I provides in table form the Committee's recommendations for the next five year period for the major program categories; Part II is more detailed and provides both table format and text discussion of the FY '86 budget recommendations. All textual discussions concern areas where Committee's recommendation differs from the Administration's request for FY '86.

BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1986 BUDGET REQUEST

[In thousands of dollars]

	Baseline fiscal year 1986 [1]	Administration fiscal year 1987 request	SCIA recommendation
Education (subfunction 501):			
School operation	$189,378	$185,596	$185,596
Johnson O'Malley education assistance	23,044	0	28,857
Continuing Education	56,438	20,212	25,977
Education enrichment and advancement	0	11,500	0
Education contract support	0	0	0
Subtotal	268,680	217,308	240,430
Indian services (subfunction 452):			
Tribal Government services	32,233	5,604	5,604
Social services	113,199	93,103	95,813
Law enforcement	48,570	3,101	3,101
Self-determination services	21,337	12,262	13,941
Navajo-Hopi Settlement Program	2,931	2,931	2,931
Indian services contract support	0	0	0
Subtotal	218,270	117,001	121,390
Economic development and employment program (subfunction 452):			
Employment development	26,698	2,593	2,651
Business enterprise development	13,775	11,643	11,643
Road maintenance	23,069	314	954
Economic development/employment contract support	0	0	0
Subtotal	63,542	14,550	15,258
Natural resources development (subfunction 302):			
Forestry and agriculture	101,997	19,712	19,712
Minerals, mining and irrigation	17,529	15,328	15,328
Natural resources development contract support	0	0	0
Subtotal	119,526	35,040	35,040
Trust responsibilities (subfunction 452):			
Indian rights protection	21,408	17,408	20,974
Real estate and financial	29,852	12,851	12,851
Trust responsibilities contract support	0	0	0
Subtotal	51,260	30,259	33,825
Tribe/agency operations (subfunction 452):			
General operations	0	184,646	189,668
Trust operations	0	92,980	93,437
Management operations	0	17,462	18,319
New tribes funding	0	0	0
Subtotal	0	295,088	301,424
Facilities management (subfunction 452)	91,298	88,597	88,597
General administration (subfunction 452):			
Management and administration	49,240	31,530	31,530
Automatic data processing	17,934	17,651	17,651
Employee compensation payments	7,478	7,538	7,538
Program management	4,520	6,148	6,148
Consolidated training program	0	1,350	1,350
Subtotal	79,172	64,217	64,217
Construction (subfunction 452):			
Building and Utilities	35,365	28,960	53,265
Irrigation systems	$18,221	$13,900	$23,200
Housing	44,476	16,295	22,606

BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1986 BUDGET REQUEST—Continued

[In thousands of dollars]

	Baseline fiscal year 1986 [1]	Administration fiscal year 1987 request	SCIA recommendation
Subtotal	98,062	59,155	99,071
Road Construction (Subfunction 452):	0	0	0
Total	989,810	921,215	999,252

[1] Represents fiscal year 1986 appropriated level, pre-Gramm-Rudman sequestration.

HEALTH AND HUMAN SERVICES FISCAL YEAR 1987 BUDGET REQUEST INDIAN HEALTH SERVICE

[In thousands of dollars]

	Baseline fiscal year 1986 [1]	Administration fiscal year 1987 request	SCIA recommendation [1]
Clinical services (subfunction 551):			
Hospital and health clinic	$429,007	$409,614	$444,555
Dental services	25,620	25,692	26,699
Mental health	11,334	11,399	11,802
Alcoholism	24,381	26,263	26,263
Maintenance and repair	8,535	9,025	9,025
Contract care	168,340	138,000	178,292
Subtotal	667,217	619,993	696,636
Preventive health (subfunction 551):			
Sanitation	20,596	21,334	21,334
Public health nursing	12,317	12,851	12,851
Health education	3,578	3,742	3,742
CHR	25,585	0	27,120
Hepatitis B	2,678	395	395
Subtotal	64,754	38,322	65,442
Urban health (subfunction 551)	9,644	0	10,222
Indian health manpower (subfunction 551)	6,395	5,418	7,486
Tribal management (subfunction 551)	1,968	0	2,050
Direct operations (subfunction 551):	57,787	56,195	59,357
Subtotal	807,765	719,928	841,193
Indian health facilities (subfunction 551)	46,198	2,450	56,324
Total	853,963	722,378	897,517

[1] After Mar. 1, 1986, sequestration of funds under the authority of Public Law 99-177 (the Balanced Budget Emergency Deficit Control Act of 1985).

DEPARTMENT OF EDUCATION FISCAL YEAR 1987 BUDGET REQUEST

[In thousands of dollars]

	Baseline fiscal year 1986 [1]	Administration fiscal year 1987 request	SCIA recommendation [1]
Part A	$50,021	$70,323	$50,021
Part B	11,809	0	11,809
Part C	2,922	2,940	2,940
Part D	2,319	2,466	2,466
Total	67,071	75,729	67,236

[1] Fiscal year 1986 appropriated level, pre-Gramm-Rudman sequestration.

Health and Human Services fiscal year 1987 budget request, Indian Health Service

Administration for Native Americans (Subfunction 506):	
Baseline fiscal year 1986	$29,000,000
Administration fiscal year 1987 request	27,300,000
SCIA recommendation	29,000,000

Bureau of Indian Affairs, Department of the Interior

The Bureau of Indian Affairs (BIA) was created in the War Department in 1824 and in 1849 was transferred to the Department of the Interior. The history of the relationship between Indian tribes and the U.S. Government reveals that the mission of the BIA was founded on a government-to-government relationship and the trust responsibility. The Bureau, therefore, as an agent of the U.S. Government, recognizes a fundamental responsibility to American Indian tribes, Alaska Native groups, and the tribal form of government. The Bureau's mission is presently viewed as three-fold: (1) to recognize and preserve the inherent rights of tribal self-government, to strengthen tribal capacity for self-government, and to provide resources for tribal government programs; (2) to protect the rights of Indian people in dealing with other governmental entities and the private sector; and (3) to fulfill and execute the Federal Government's responsibility for trust resources and property.

Programs administered by the Bureau of Indian Affairs are extremely broad in scope. The two largest programs, education and social services, account for approximately 36 percent of the BIA budget request for FY '87. Education alone accounts for nearly 25 percent of the budget. This does not include requests for construction or facility improvement and repair of schools and related structures.

While 80 percent of all Indian students within the BIA service population attend public schools, the remaining 20 percent are provided direct education through schools operated by the Bureau. Of these children, approximately 42 percent are in BIA residential or boarding schools because their families do not live within walking distance of a public or Federal day school or available bus route, or because of special social or academic factors. The BIA thus operate, either directly or by contract, some 168 elementary and secondary schools and 14 dormitories servicing an estimated 41,481 students in 23 states. The remainder of the funding request provides funding for grants to college level or post-graduate students for continuing education.

The Social Service program, which is the second largest program administered by the Bureau, provides welfare assistance to Indians when such assistance is not available through state or local public agencies. Financial assistance and social services are not provided by public welfare agencies of some states, particularly those states where public programs are funded and administered from local county revenues based on real property taxes. Some 17 states meet this criteria for alternative provision of BIA social services. The BIA social service program is divided into four parts: general assistance, which accounts for 71 percent of the requested funding; child welfare assistance; miscellaneous emergency assistance; and Indian Child Welfare Act grants.

In addition to these programs, the BIA is responsible for management and protection of natural resources of individual Indians and the tribes, such as forestry, agricultural lands, minerals and mining, fisheries and irrigation and power; maintenance of over 26,000 miles of paved and unpaved roads within the reservations; provision of law enforcement services and support of tribal courts; management of Indian trust funds totalling approximately $1.5 billion; provision of technical assistance and core support to tribes to enable the tribes to contract for and administer Federal programs; and provision of funds either through loans or grants to stimulate economic development on the reservations.

The Synder Act of 1921 (42 Stat. 208; 25 U.S.C. 13) provided substantive law for appropriations covering the activities of the Bureau of Indian Affairs. The scope and character of the authorizations contained in this Act were broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 *et seq.*); by the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450); by amendments to Title XI of the Elementary and Secondary Education Amendments Act of 1978 (P.L. 95-561); by the Indian Child Welfare Act of 1978 (P.L. 95-608); and by the Tribally Controlled Community College Assistance Act of 1978 (P.L. 95-471, as amended).

Education School Operations

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
A. Indian school equalization program:			
1. Indian school equalization formula	$155,456	$152,657	$152,657
2. Indian school program adjustments	1,466	1,466	1,466
B. Education standards (implementation)	1,500	300	300
C. Institutionalized handicapped	2,328	2,328	2,328
D. School board expenses	723	723	723
Training fund	512	512	512
E. Student transportation	11,639	11,639	11,639
F. Technical support:			
Agency and area offices	7,892	8,109	8,109
Education MIS	674	674	674
G. School operations contract support	7,188	7,188	7,188
Total	189,378	185,596	185,596

INDIAN SCHOOL EQUALIZATION PROGRAM

The Committee recommends $152,657,000 for the Indian School Equalization Program (ISEP) for FY '87. This figure corresponds with the Administration's request. The Committee, however, continues to support the concept of "forward funding" for the Bureau's education programs to insure that schools have sufficient time and the necessary funds to plan for educational services to its children. Although the Bureau implemented a "one-week" count in FY '85, there are indications that some schools continue to receive late funding allocations for the current academic year. Therefore, the

Committee recommends that when the Bureau makes its budget request for FY '88, it also include FY '89 funding.

JOHNSON-O'MALLEY EDUCATIONAL ASSISTANCE

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Johnson-O'Malley education assistance	$20,500	$0	$25,674
Johnson-O'Malley contract support	2,544	0	3,183
Total	23,044	0	28,857

No funds have been requested for the Johnson-O'Malley education program for FY '87. The Administration's request to terminate the JOM program is based on a proposal to transfer the current funding to the Department of Education for consolidation of all services to Indian students in public schools. The Administration is preparing legislation to accomplish the transfer of the JOM program dollars to the Department of Education and the transfer of certain Title IV education services (aid to contract schools under part A and the part B services) to the BIA.

The Committee is concerned that the proposed transfer of JOM to the Department of Education is poorly thought out and will result in no financial savings. The Committee, therefore, recommends that the JOM program continue within the BIA until such time as Congress enacts legislation to alter the current program.

The Committee notes that it recommends an increase in JOM funding for FY '87. This increase reflects the FY '85 actual appropriated level. During the FY '86 appropriations process, Congress was given inaccurate information concerning a projected "carry-over" of dollars to be available to the JOM program in FY '86 and recommended a corresponding decrease in its appropriation. This carry-over was mythical and thus JOM suffered a major decrease of $5,813,000 in FY '86. The Committee's recommendation would restore JOM to the FY '85 level.

BUREAU OF INDIAN AFFAIRS EDUCATION

CONTINUING EDUCATION SUBACTIVITY

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Higher education	$29,246	$0	$0
Special higher education	1,939	0	1,939
Adult education	3,717	0	0
Postsecondary	9,309	9,309	9,309
Tribally controlled community colleges	11,355	10,903	14,729
Total	56,438	20,212	25,977

SPECIAL HIGHER EDUCATION

The Committee also recommends restoration of $1,939,000 for special higher education which provides financial assistance to graduate students. The Administration's failure to request funding for this program is based on the proposal to transfer Title IV, Indian Education Act Fellowship monies from the Department of Education to the BIA's new Education Enrichment and Advancement subactivity. As noted below, the Committee rejects the proposed transfer of funds and recommends maintaining the special higher education program at the FY '86 appropriated level.

TRIBALLY CONTROLLED COMMUNITY COLLEGES

The Committee disagrees with the Bureau's budget request for Title I Tribally Controlled Community Colleges (TCCCs), and with the BIA's basis for the request. Due to inaccurately low projections of student count for FY '87, the current request of $6,974,000 is not sufficient to maintain the TCCCs at acceptable levels.

The FY '87 budget requests $452,000 less than the amount appropriated in FY '86, based on the BIA's estimated decrease in enrollment. For purposes of clarity, the Committee will focus on the Full-Time Equivalent count (FTE), although the BIA has, for FY '87, converted the FTE to Indian Student Count (ISC), as mandated by the Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98-192.

Based on working experience with the American Indian Higher Education Consortium's (AIHEC) projected student counts, which, although normally lower than BIA final audited counts are much closer to the final counts than are BIA projections, the Committee accepts AIHEC's projected FTE for FY '87 of 3,100, as compared to the BIA's 2,742 FTE. AIHEC has utilized the same formula for computing the FTE as the BIA, but has projected a higher total, based on the TCCCs' experienced growth rate and the prior year's final count.

Under the BIA's proposed FY '87 budget and AIHEC's projected FTE count, the per student dollar amount would be far less than that received in past years. Due to the continued lowering of dollars, the colleges have been unable to retain professors and staff and to maintain or expand their curriculum: factors that are a threat to continued accreditation of the schools.

The Committee recommends a level of $3,000/FTE for a total of $9,300,000 for Title I TCCCs. This per count dollar figure will keep the Colleges on a steady, acceptable level of service.

The Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98-192, authorizes forward funding for the program. The Bureau has failed to request funding for use in FY '88 in the FY '87 budget request. The Committee recommends that the BIA include forward funding for FY '89 in the FY '88 Budget Justification for both Title I and Title II colleges.

The Committee notes that the Bureau of Indian Affairs again has not requested any funding for Title III, the Tribally Controlled Community Colleges Assistance Act of 1978, as amended by Public Law 98-192. Title III, Section 306 authorized $5,000,000 for each of FY '85, '86, and '87. The Committee disagrees with the BIA's fail-

ure to request monies for the Endowment program, and recommends $1,500,000 be included for FY '87, in view of the fact that the Bureau anticipates to publish final regulations governing implementaton of Title III by the end of FY '86.

Summary of Sources of Funds

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Title I	$7,406	$6,974	$9,300
Title II	3,813	3,813	3,813
Technical assistance	116	116	116
Title III	0	0	1,500
Total	11,335	10,903	14,729

EDUCATION ENRICHMENT AND ADVANCEMENT SUBACTIVITY

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Special enrichment	$0	$9,500	$0
Fellowships for Indian students	0	2,000	0
Total	0	11,500	0

The Administration requests $11,500,000 for a new activity—Education Enrichment and Advancement Programs. This funding is part of the proposal to transfer Department of Education's Title IV, Part A payments to Indian controlled schools and Part B special projects and fellowships to the BIA. The Administration is currently drafting legislation to accomplish the transfer of programs and funding. The Committee does not agree with the rationale as stated in the budget justification and rejects transfer of funding in FY '87.

TRIBAL GOVERNMENT SERVICES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Aid to tribal government	$21,608	$4,213	$4,213
Tribal courts	10,625	1,391	1,391
Total	32,233	5,604	5,604

SOCIAL SERVICES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Welfare assistance grants	$90,735	$91,455	$94,165
All other social services	22,464	1,648	1,648
Total	113,199	93,103	95,813

The Committee accepts the Administration's request for an increase to welfare assistance grants in order to adequately provide for needy Indians (+$3,833,000). The Committee does not agree, however, with a reduction in ICWA program grants (−$2,710,000) based on a policy decision to discontinue funding to all off-reservation urban organizations and all ICWA programs in Alaska. The Committee's recommendation accepts the increase in welfare assistance and maintains FY '86 ICWA grants levels.

LAW ENFORCEMENT

Baseline fiscal year 1986	$48,570,000
Administration fiscal year 1987 request	3,101,000
SCIA recommendation	3,101,000

SELF-DETERMINATION SERVICES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Training and technical assistance	$3,512	$1,855	$1,855
Contract support	1,940	7,586	7,586
Small tribes core management	4,500	2,821	4,500
Total	9,952	12,262	13,941

The Committee disagrees with the decrease in grants to small tribes and the phase-out of the program in the Juneau area, and recommends that the program be funded at the fiscal year 1986 appropriated level. The Committee accepts the requested increase for new contracts' support.

NAVAJO-HOPI SETTLEMENT PROGRAM

Baseline fiscal year 1986	$2,931,000
Administration fiscal year 1987 request	2,931,000
SCIA recommendation	2,931,000

Economic Development and Employment Programs

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Employment development	$26,968	$2,594	$2,651
Business enterprise development	13,775	11,643	11,643
Road Maintenance	23,069	314	964
Economic development/employment contract support	0	0	0
Total	63,542	14,550	15,258

The Committee recommends that the United Sioux Tribes Development Corporation and the United Tribes Educational Technical Center (UTETC) receive a freeze level of funding (the FY '86 appropriated level increased by the CBO inflation assumption for FY '87 of 3.3%). Thus, the recommendation for economic development includes $102,000 for United Sioux Tribes and $1,687,000 for UTETC.

The Committee also disagrees with the budget request for road maintenance and recommends an additional $650,000 for repair and construction of roads at the United Tribes Educational Technical Center, Bismarck, North Dakota.

Natural Resources Development

FORESTRY AND AGRICULTURE

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Natural resources, general	$2,407	$1,570	$1,570
Agriculture	29,223	2,819	2,819
Forestry	33,801	6,061	6,061
Water resources	10,783	465	465
Wildlife and parks	25,783	8,797	8,797
Total	101,997	19,712	19,712

MINERALS AND MINING/IRRIGATION AND POWER

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Minerals and mining	$9,589	$7,741	$7,741
Irrigation and power	7,940	7,587	7,587
Total	17,529	15,328	15,328

Although the Committee accepts the Administration's request for water rights/litigation, there is grave concern that language con-

tained in the budget justification assumes that tribes will not be allowed to contract for this program. The Committee believes that tribal contracting should be allowed under this new line-item program and encourages the Administration to work closely with the affected tribes in negotiating any contracts for water rights/litigation.

TRUST RESPONSIBILITIES

INDIAN RIGHTS PROTECTION

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Environmental quality	$1,400	$561	$561
Indian rights protection	20,008	16,847	20,413
Total	21,408	17,408	20,974

The Committee does not accept the Administration's request for Indian rights protection in that it requests decreases for ANILCA land selection, ANSCA Cem./Hist. sites, litigation support and attorney's fees. The budget justification notes that the decrease to ANILCA land selection leaves a minimum of $447,481 outstanding, and the Committee recommends that $447,481 be added back to this account. The decrease to ANSCA Cem./Hist. sites would delay the completion of sites surveys and investigation for at least five years beyond the 1990 completion target date and leave unidentified sites unprotected. Thus, the Committee rejects this decrease and recommends $1,568,000 for this activity.

The request decreases for litigation support and attorneys' fees are unacceptable to the Committee. There is a continual shortfall in funding for these activities with the results being a transfer of other program dollars to meet these costs or a failure to meet target deadlines. The Committee recommends that $1,200,000 be added to the litigation support activity and $350,000 to the attorneys' fees activity.

REAL ESTATE FINANCIAL TRUST SERVICES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Trust services, general	$1,072	$920	$920
Real estate services	24,712	10,754	10,754
Financial trust services	4,068	1,177	1,177
Total	29,852	12,851	12,851

Facilities Management

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Facilities management	$91,298	$88,597	$88,597
Total	91,298	88,597	88,597

Tribe/Agency Operations

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
General operations	$0	$184,646	$189,668
Trust operations	0	92,980	93,437
Management operations	0	17,462	18,319
New tribes funding	0	0	0
Total	0	295,088	301,424

The Committee rejects the Administration's request to reduce tribe/agency funding to Alaska by $6,336,000. There was no consultation with any of the affected Alaska Native villages or tribes, and the basic premise for most of the reductions, that the state should take over responsibility for the various programs, is without merit. There has been no consultation with the state and the Committee has been notified by the Governor's office that the state objects to the BIA's transfer of responsibility. The Committee recommends restoration of the Alaska funding to tribe/agency operations and accepts the increases to the programs recommended by the Administration.

General Administration

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Management and administration	$49,240	$31,530	$31,530
Automatic data processing	17,934	17,651	17,651
Employee compensation payments	7,478	7,538	7,538
Program management	4,520	6,148	6,148
Consolidated training program	0	1,350	1,350
Total	79,172	64,217	64,217

CONSTRUCTION

BUILDINGS AND UTILITIES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Education projects	$0	$0	$15,000
Noneducation construction	0	0	0
Advanced planning and design	1,100	0	1,000
Facility improvement and repair	37,265	28,960	37,265
Program offset (fiscal year 1985 deferral)	−3,000	0	0
Total	35,365	28,960	53,265

The Committee does not agree with the Bureau's recommendation to zero-out school construction. The only justification given by the BIA is that it is the Administration's policy not to request new construction for any type of project: housing, schools, irrigation systems, etc. This type of blanket rationale ignores the unique relationship between the Federal Government and Indian tribes as well as the rural isolation and physical condition of existing schools. The Committee recommends $15,000,000 for school construction in FY '87. This amount will allow new construction of the following three schools, which will be ready for construction in FY '87:

Two Eagle River, MT	$2,500,000
Rocky Boy, MT	2,500,000
Turtle Mountain, ND	10,000,000
Total	15,000,000

In addition, the Committee notes that the BIA has not requested any monies for planning and design of new schools. For the same reasons as stated above, the Committee disagrees with the BIA's request and recommends $1,000,000 for planning and design in FY '87. This amount will allow planning and design at approximately three schools.

Although the Bureau states that facility improvement and repair is a priority for FY '87, as opposed to new construction, the BIA requests less than the FY '86 funding level. A review of the BIA's priority list for F I & R indicates that the requested level is insufficient. The Committee recommends that the F I & R account be budgeted at last year's level.

IRRIGATION

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Irrigation	$18,221	$13,900	$23,200
Total	18,221	13,900	23,200

The Committee is concerned with the failure of the BIA to request monies for the Navajo Indian Irrigation Project (NIIP). This project was authorized in 1962, under P.L. 87-483, in recognition of an agreement between the Navajo Nation, the State of New Mexico, and the United States. Yet, to date, the project is still not complete. The $8,300,000 recommended for FY '87 would allow irrigation of an additional half block, completing work on Block 6, leaving 52,000 of the 110,000 acres subject to the agreement unirrigated.

The Committee also recommends $1,000,000 for second-year funding for completion of phase 2 construction of the Ft. Belknap Irrigation Project, MT.

HOUSING

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Housing	$44,476	$16,295	$22,606
Total	44,476	16,295	22,606

The Committee disagrees with the BIA's request for the housing subactivity. Again, the Bureau has requested no monies for new construction, for the same reasons as given for zeroing school construction. The Committee, again, disagrees with this rationale and the proposed budget cut, and recommends that $6,311,000 be restored to this account. This money will provide for the construction of new houses in Indian country, and will continue the program in Alaska.

Department of Health and Human Services, Indian Health Service

The Indian Health Service (IHS) is the component of the Department of Health and Human Services charged with administering the principal Federal health programs for approximately one million American Indian and Alaska Native people living on or near Federal Indian reservations or in traditional Indian country such as Oklahoma and Alaska. Direct health services are provided through the operation of 45 hospitals, 71 health centers and several hundred smaller health stations and satellite clinics. The tribal health delivery system, administered by tribes and tribal groups through contracts with IHS, operates six hospitals and approximately 250 health clinics. Contract health care, the purchase of medical services from non-IHS and non-tribal health care providers, supplements the IHS and tribal health care delivery system. Under the legislative authority of the Indian Health Care Improvement Act (Public Law 94-437), the IHS is charged with the responsibility of raising the health status of Indian and Alaska Native people to the highest possible level. However, testimony received by the Committee in its oversight of the fiscal year 1987 budget for

Indian programs, indicates that Indian people continue to suffer the lowest health status of all American citizens.

The President's budget request for the Indian Health Service for fiscal year 1987 includes a proposal to rescind $62,904,000 of the amounts appropriated to operate IHS programs in fiscal year 1986. An additional $10,429,000 in fiscal year 1986 funds will be sequestered pursuant to the Balanced Budget Emergency Deficit Control Act of 1985 (Public Law 99-177), for a total reduction of 9 percent, or $73,333,000 in funds appropriated for fiscal year 1986.

The President's budget request for fiscal year 1987 proposes a reduction of $101,351,000 from the amounts available for obligation by the IHS in fiscal year 1986, an additional 13 percent reduction in the Indian health account. The President's request for the Indian health facilities account for fiscal year 1987 proposes a reduction of $44,215,000, or a 94 percent reduction in amounts available for obligation for the construction of IHS hospitals and clinics, outpatient facilities, personnel quarters, sanitation facilities, and the maintenance and repair of IHS facilities.

As in previous years, the President's budget request for fiscal year 1987 proposes to offset program decreases in the Indian health account with income realized from reimbursements from the federal Medicaid and Medicare programs, as well as other third-party income. These proposed offsets are problematic for at least three reasons: (1) sections 401 and 402 of the Indian Health Care Improvement Act (Public Law 94-437) prohibit the offsetting of funds received from Medicaid and Medicare sources against amounts that would otherwise be requested for appropriation; (2) sections 1880 and 1911 of the Social Security Act require that funds collected from Medicare and Medicaid sources are to be used exclusively for the purpose of making any improvements in IHS facilities that may be necessary to achieve compliance with the applicable conditions and requirements for such facilities contained in titles XVIII and XIX of the Social Security Act, but the President's budget request proposes to use such funds for other purposes, *i.e.,* the costs of printing and patient travel; and (3) the Administration's projections of income to be collected in fiscal year 1987 from Medicaid and Medicare ($61,100,000) and other third-party sources ($8,000,000) are unrealistically high given the amounts collected from such sources in prior fiscal years ($32,000,000 in fiscal year 1985 from Medicaid and Medicare; $80,000 from other third-party sources in fiscal year 1985).

To encourage progress toward the goal of achieving Indian health status parity with that of the general U.S. population, the Committee is recommending a funding level for all IHS budget activities sufficient to allow the Indian Health Service to maintain its fiscal year 1986 level of program effort. The Committee is aware that in most instances, the recommended funding level will not enable the IHS health care delivery system to keep pace with inflation in medical costs, but the Committee's recommendations for funding are also premised upon the national policy of reducing the Federal deficit. The recommended funding levels are further premised upon Congressional denial of the President's proposed rescissions to the Indian Health Service budget for fiscal year 1986.

Again, in Fiscal Year 1987, the IHS budget request for the construction of IHS facilities is insufficient to complete the construction of all IHS facilities that are presently in some phase of construction. Although DHHS representatives have assured the Committee that funds will be requested in future years to complete construction, the Committee is concerned that the delays in completing construction will incur greater costs to the Federal Government and that the costs associated with such completions will greatly exceed original cost projections. The Committee remains opposed to the President's request to merge the IHS Facilities Construction account with the Indian Health account. The proposed merging of facilities and services accounts will make it even more difficult for the Congress to ascertain the need for facilities construction, or any change in Administration policy affecting IHS facilities. The Committee strongly recommends that the Committees on Budget and Appropriations reject the proposal to merge IHS services and facilities accounts.

CLINICAL SERVICES

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Hospital and health clinic	$429,007	$409,614	$444,555
Dental services	25,620	25,692	26,699
Mental health	11,334	11,399	11,802
Alcoholism	24,381	26,263	26,263
Maintenance and repair	8,535	9,025	9,025
Contract care	168,340	138,000	178,292
Total	667,217	619,993	696,636

Hospital and health clinic program

The Committee recommends a funding level of $444,555,000 for the Hospital and Health Clinic program for fiscal year 1987, a 3 percent increase from the amounts available for obligation after the March 1, 1986 sequestration of funds under the authority of Public Law 99–177. The recommended 3 percent increase will not enable the Indian Health Service to keep pace with the 6 percent inflation in medical costs generally, but will allow the IHS to maintain its fiscal year 1986 level of program effort. The level of funding recommended by the Committee is based on the fiscal year 1986 direct appropriations level after sequestration and the fiscal year 1987 IHS projections of built-in increases for the Hospital and Health Clinic program. Built-in increases are defined in the Indian Health Service budget justification as increases which reflect the impact of inflation on a program including such items as funding of the full-year costs of increased positions in the 1986 appropriation, within-grade promotions, increased costs of medical supplies, and the increased costs of health care provided under contracts or grants. The built-in increase is the amount that would be necessary for the IHS to maintain, in fiscal year 1987, the fiscal year 1986

level of program effort. Consistent with Committee concerns outlined above, proposed Medicaid and Medicare offsets to base program obligations have been disallowed. The President's Budget Request for fiscal year 1987 proposes a rescission in the Hospital and Clinic budget activity in the amount of $6,791,000 in fiscal year 1986 funds for such services as emergency medical response and transport services and funds for overhead costs to assist tribes in the operation and management of contracts under the Indian Self-Determination Act. The Committee strongly recommends that the President's rescission request be denied by the Congress.

Dental services

The Committee's recommended funding level for Dental Services in Fiscal Year 1987 consists of the Fiscal Year 1986 direct appropriation following sequestration under the authority of Public Law 99-177, and the Fiscal year 1987 IHS projections of built-in increases for this program, for a total of $26,699,000.

Mental health

For Fiscal Year 1987, the Committee recommends an increase of 4% over the Fiscal Year 1986 appropriations level (following sequestration) for a total of $11,802,000. The 4 percent recommended increase is based on IHS projections of built-in increases for Fiscal Year 1987 and will allow IHS to maintain mental health services at Fiscal Year 1986 levels. Although the proposed increase will not enable the IHS to meet the documented need for expanded mental health services, the recommended funding level rejects the Administration's request to reduce mental health patient contacts by 17,000 and the request for a reduction in 14 full-time-equivalent positions in the mental health program.

Alcoholism

The Committee accepts the President's request for an increase in the IHS alcoholism program, recognizing that alcoholism continues to be identified as the most significant health problem among Indian and Alaska Native populations. The total amount requested for Fiscal Year 1987 is $26,263,000.

Maintenance and repair

The Committee accepts the President's proposed increase in the IHS maintenance and repair program, for a total Fiscal Year 1987 funding level of $9,025,000.

Contract care

In its oversight of the Fiscal Year 1987 budget for Indian programs, the Committee has received testimony that documents the significant need for increases in the contract care program, rather than the over $30 million decrease in the contract care program proposed in the President's budget. In the Portland IHS Area, an area that is almost completely dependent on health care services provided under contract because there are no IHS direct care facilities in the states of Idaho, Washington, and Oregon, there is an existing $3.5 million need to address contract care service needs that have been deferred for as long as five years. Other areas of the IHS

system are also limited to the provision of contract care for life- or limb-threatening illnesses or injuries only. Unaddressed contract care needs in the Portland Area are estimated to be growing at a rate of $200,000 a month. In light of the well-documented need for contract health care services, the Committee recommends a funding level of $178,292,000 for the contract care program in Fiscal Year 1987. The recommended funding level is based upon the Fiscal Year 1986 appropriations level following sequestration under the authority of Public Law 99-177, and IHS projections of built-in increases for Fiscal Year 1987 to allow the Indian Health Service to maintain its Fiscal Year 1986 level of program effort. The President's Budget Request for Fiscal Year 1987 proposes a rescission of Fiscal Year 1986 funds in the Contract Care budget activity in the amount of $2,474,000. Because of the acute shortage in contract care services, the Committee strongly recommends that the President's rescission request be denied by the Congress.

PREVENTIVE HEALTH

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA Recommend
Sanitation	$20,596	$21,334	$21,334
Public health nursing	12,317	12,851	12,851
Health education	3,578	3,742	3,742
Community health representative	25,585	0	27,120
Hepatitis B	2,678	395	395
Total	64,754	38,322	65,442

The IHS budget justification indicates that one of the primary goals of the Indian Health Service is to promote and implement disease prevention and health promotion objectives. In contrast to the stated goals, the President's budget request for Fiscal Year 1987 proposes a 40 percent reduction in funds for preventive health. Testimony received by the Committee from health care professionals continues to stress the importance of preventive health initiatives in raising the health status of Indian and Alaska Native people to the highest possible level. Testimony of IHS representatives confirms that the most prevalent diseases in the native population are preventable. Health care experts maintain that funding of preventive health programs maximizes the most efficient use of the Federal investment in health care for Indian and Alaska Native people. Health promotion and disease prevention programs have been implemented in many of the major Federal agencies, including the Departments of Defense and Health and Human Services. Within the context of increased Federal emphasis on health promotion and disease prevention activities, the Committee questions the reduced emphasis on proven and effective preventive health initiatives that is reflected in the President's budget request for the IHS in Fiscal Year 1987. The Committee's recommendation of $65,442,000 includes IHS projections of built-in increases in the preventive health program to maintain preventive health services

at Fiscal Year 1986 levels. The President's Budget Request for Fiscal Year 1987 proposes a rescission in the Preventive Health budget activity of Fiscal Year 1986 funds in the amount of $11,085,000. Because of the documented need for and effectiveness of preventive health initiatives, the Committee strongly recommends that the President's rescission request be denied by the Congress.

Sanitation

The Committee accepts the President's budget request of $21,334,000 for the sanitation program for Fiscal Year 1987, which includes an increase to allow the sanitation program to be maintained at Fiscal Year 1986 operating levels.

Public Health nursing

The Committee approves of the proposed increase in the Public Health Nursing program to allow the IHS to maintain the Fiscal Year 1986 level of program effort, and accepts the President's budget request of $12,851,000 for the public health nursing program.

Health education

The Committee accepts the increase in the IHS health education program proposed in the President's budget request. The $3,742,000 requested for health education will allow IHS to maintain the Fiscal Year 1986 level of program effort.

Community health representatives

Despite the demonstrated success of the community health representatives (CHR) program in providing emergency medical services, immunizations, health education, and non-emergency health care at a cost of $3.18 per patient encounter, the President's budget request for Fiscal year 1987 proposes a rescission in CHR funding to terminate the program by April 30, 1986. No funds are requested for the community health representative program in Fiscal Year 1987. The community health representative program contracts with tribal governments for the provision of community-oriented primary health care services to Indian and Alaska Native communities. In Fiscal Year 1985, Indian Health Service data indicates that community health representatives provided 8,012,579 health care services (patient encounters) in the areas of general health care, dental health, gerontological health care, maternal and child health care, mental health care, and environmental health services in home, community and clinic settings. And although there exists ample, credible evidence that the direct patient care responsibilities of community health representatives are well within the scope of IHS budgetary objectives, the President is once again requesting elimination of the program on the grounds that IHS must focus its budget resources on maintaining key inpatient and outpatient medical care services. IHS physicians and health care professionals, however, have consistently stated their view that the community health representative program is the most culturally-relevant and effective means of providing quality care to the IHS patient population. As the only IHS program that is almost completely staffed

and operated by tribal health care providers and as a program that allows tribal communities to determine which services can most effectively address community-specific health care needs, the Committee finds that the proposed elimination of the CHR program is inconsistent with the Presidential policy of Indian self-determination. The Committee strongly supports the community health representative program and recommends a funding level of $27,120,000 for Fiscal Year 1987. The recommended level of funding will enable the Indian Health Service to maintain the Fiscal Year 1986 level of program effort for the community health representative program.

HEPATITIS B

The Committee accepts the President's budget request of $395,000 to continue the screening for Hepatitis B and immunizations in the State of Alaska.

URBAN HEALTH

Baseline fiscal year 1986	$9,644,000
Administration fiscal year 1987 request	0
SCIA recommendation	10,222,000

The President's budget request for Fiscal Year 1987 provides a rescission of funding for the urban Indian health program to terminate the program by May 30, 1986. No funds are requested for the urban health program for Fiscal Year 1987. The urban Indian health care program allows 37 urban Indian health care projects around the country to provide direct and referral health care services to the over 50 percent of the Indian population that currently resides in urban settings. Indian Health Service data indicates that in Fiscal Year 1985, urban Indian health care projects provided 162,563 medical services; 51,800 dental services; 106,191 community services; and 186,501 other health-related services. The IHS budget justification further indicates that experience has shown that the IHS funding support for these projects enhances the ability of the 37 programs to generate other sources of funding. Although the proposed elimination of the urban Indian health care program is premised upon the rationale that tribal people residing in urban areas have access to alternate health care resources, the Administration has consistently failed to respond to Congressional requests for documentation of such alternate resources. In contrast to the stated rationale for eliminating the urban Indian health care program, evidence submitted to the Committee supports the finding that in the absence of the urban Indian health care programs, there are no alternative health care providers that have the facilities, personnel, or financial capacity to serve the urban Indian patient population. Given the demonstrated effectiveness of the urban Indian health care programs and the lack of viable alternative health care resources, the Committee recommends a funding level of $10,222,000 for Fiscal Year 1987. The recommended level of funding should allow continuation of the urban Indian health care program at Fiscal Year 1986 operating levels. The Committee strongly recommends that the President's rescission request of $2,444,000 in

Fiscal Year 1986 funds for the Urban Health budget activity be denied by the Congress.

INDIAN HEALTH MANPOWER

Baseline fiscal year 1986	$6,395,000
Administration fiscal year 1987 request	5,418,000
SCIA recommendation	7,486,000

The Indian Health Manpower program is designed to address shortages of health professionals serving Indian communities. In light of the government-wide policy of phasing-out scholarship assistance programs, access to other sources of professional health care personnel for service in the IHS will be seriously diminished in the very near future. But, despite considerable evidence that the Indian Health Service and Indian communities continue to experience severe shortages of Indian health professionals, the President's budget request proposes no new scholarship assistance for qualified Indian students to receive training in the health professions. The Committee recommends a funding level of $7,486,000 for the Indian Health Manpower program for Fiscal Year 1987. The recommended level of funding will allow the continuation of the Indian Health Manpower programs and the Indians into Medicine program.

TRIBAL MANAGEMENT

Baseline fiscal year 1986	$1,968,000
Administration fiscal year 1987 request	0
SCIA recommendation	2,050,000

As the principal means within the Indian Health Service of carrying out the Presidential policy of Indian self-determination, the tribal management program provides much-needed technical assistance and management training to tribes and native organizations that are preparing to contract IHS programs. The Committee opposes the President's request to eliminate the tribal management program, and recommends a funding level of $2,050,000 for Fiscal Year 1987. The President's Budget Request for Fiscal Year 1987 proposes a rescission of Fiscal Year 1986 funds for the Tribal Management budget activity in the amount of $1,468,000. The Committee strongly recommends that the President's rescission request for the Tribal Management program be denied by the Congress.

DIRECT OPERATIONS

Baseline fiscal year 1986	$57,787,000
Administration fiscal year 1987 request	56,195,000
SCIA recommendation	59,357,000

The Committee accepts IHS projections of built-in program increases for Fiscal Year 1987 and has added such increases to the Fiscal Year 1986 appropriated base (following sequestration under the authority of Public Law 99–177) for a recommended funding level of $59,357,000.

INDIAN HEALTH FACILITIES

Baseline fiscal year 1986	$46,198,000
Administration fiscal year 1987 request	2,450,000
SCIA recommendation	56,324,000

The Joint Commission on Accreditation of Hospitals and the Health Care Financing Administration have identified a need for $56,500,000 to correct deficiencies in IHS facilities in order to maintain the accreditation of IHS facilities. In the absence of accreditation, the Indian Health Service cannot bill for or receive reimbursements from the Federal Medicaid and Medicare programs. Because of the importance of IHS facilities to the goal of raising the health status of American Indians and Alaska Native people to the highest possible level, the Committee recommends a funding level of $56,324,000 for Fiscal Year 1987 to complete existing facilities construction projects and to provide for the construction of water and sanitation facilities to new and existing Indian homes. The President's Budget Request for Fiscal Year 1987 proposes a rescission of Fiscal Year 1986 funds for the Indian Health Facilities construction program in the amount of $38,642,000. The Committee strongly recommends that the President's rescission request for the IHS Facilities Construction program be denied by the Congress.

	SCIA 1987	Prior appropriation
Inpatient facilities—construction appropriation:		
1. Rosebud, SD (final construction)	$6,038	$12,662
2. Sacaton, AZ (final construction)	12,446	6,099
Modernization and repair facilities:		
3. Fort Yates, ND, hospital	400	N/A
4. Cass Lake and Red Lake, MN, hospitals; Kincheloe, MN health center	150	N/A
5. Sisseton, SD, hospital	450	N/A
6. Mount Edgecumbe, AK, hospital	700	N/A
7. Fort Hall, ID, health center—personnel quarters	150	N/A
8. Tuba City, AZ, hospital	600	N/A
Outpatient facilities—construction appropriation:		
9. Toppenish, WA (final construction)	10,469	622
Personnel quarters—construction:		
10. Fort Thompson, SD (17 units)	421	1,279
Sanitation facilities:		
11. BIA and tribal and other built homes (2,850 units)	24,500	N/A
Total	56,324	.....

Other Human Development Services Programs

ADMINISTRATION FOR NATIVE AMERICANS

Baseline fiscal year 1986	$29,000,000
Administration fiscal year 1987 request	27,300,000
SCIA recommendation	29,000,000

The fiscal year 1987 appropriated level for the Administration for Native Americans Program (ANA) is $29,000,000. The Administration has recommended that the overall budget authority be decreased in fiscal year 1986 to $27,300,000. The basic program funding, the Financial Assistance Grants, would remain constant. However, the Training and Technical Assistance funding level of

$1,000,000 to zero in fiscal year 1987. In addition, the Research, Demonstration, and Evaluation portion of the ANA program would be reduced from the fiscal year 1986 funding level of $1,000,000 to zero in fiscal year 1987.

The Training and Technical Assistance and the Research, Demonstration, and Evaluation components of the ANA program are invaluable to the success of the overall program. Both these components have been strongly endorsed by tribes and Native American organizations as beneficial to the goal of ANA, that is, to promote self-sufficiency to American Indians, Alaska Natives and Native Hawaiians by encouraging economic and social development. The Committee supports the continuation of both these components, in addition, to the basic Financial Assistance Grants. While the level of funding for the ANA program has remained relatively constant over the past several years, inflation has reduced the real value almost in half. Currently, the ANA program is only able to fund twenty-five percent (25%) of the applications it receives. The Committee, therefore, recommends that the level of funding for FY '87 be budgeted at $29,000,000 to be distributed as follows: $27,000,000 for Financial Assistance Grants; $1,000,000 for Training and Technical Assistance; and, $1,000,000 for Research, Demonstration, and Evaluation.

Department of Education

TITLE IV, INDIAN EDUCATION ACT

[In thousands of dollars]

	Baseline fiscal year 1986	Administration fiscal year 1987 request	SCIA recommendation
Part A	$50,021	$70,323	$50,021
Part B	11,809	0	11,809
Part C	2,922	2,940	2,940
Part D	2,319	2,466	2,466
Total	67,071	75,729	67,236

The Committee rejects the proposed transfer of funding from the BIA Johnson-O'Malley education program to Part A and the transfer of Part A Indian-controlled school and Part B special program funds and Fellowships to the BIA. The Administration is preparing a legislative proposal to accomplish both the funding transfers and amendments to the authorizations for these two programs. Until this proposal is transmitted to Congress for the Committee's review and action, the request to transfer funds and alter the programs is rejected. The Committee does, however, accept the request to increase funding for the Part C adult education program and program administration, and recommends that the increase in Administration be shared by the National Advisory Council on Indian Education and the Office of Indian Education Programs.